
EXPLANATORY NOTE

(This note is not part of the Regulations)

Section 24 of the Local Government and Elections (Wales) Act 2021 (“the Act”) confers a general power of competence on principal councils and eligible community councils. In particular, the general power of competence confers on those authorities a power to do certain things for a commercial purpose.

The power to do things for a commercial purpose is subject to conditions set out in section 27 of the Act. Under section 27(2), the exercise of the general power for a commercial purpose must be done through a company.

Section 28(4) of the Act provides a power for the Welsh Ministers to provide, by regulations, for the exercise of the general power to be subject to additional conditions.

The General Power of Competence (Commercial Purpose) (Conditions) (Wales) Regulations 2021 (“the 2021 Regulations”) prescribe the conditions to be met by a principal council before exercising the general power for a commercial purpose.

Regulation 2 of these Regulations amends regulation 1(2) of the 2021 Regulations to include eligible community councils within the meaning of “authority”. This has the effect of extending the application of the 2021 Regulations to eligible community councils from 5 May 2022 which is the date from which they may exercise the general power of competence, including for a commercial purpose.

The Welsh Ministers’ Code of Practice on the carrying out of Regulatory Impact Assessments was considered in relation to these Regulations. As a result, a regulatory impact assessment has been prepared as to the likely costs and benefits of complying with these Regulations. A copy can be obtained from the Local Government Democracy Division, Welsh Government, Cathays Park, Cardiff, CF10 3NQ.